

SB 766 - OPPOSE

(Request Amendment to Restrict SB 766 to Owner-Occupied Properties)

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Good morning. My name is Mike Eskinazi. I am a tax sale investor, licensed real estate agent, and 8 year resident of Baltimore City.

I strongly oppose SB 766 as written. It seeks to replace the current proven Tax Sale system with a new IN REM system that will cost millions to build out and staff and to what end? The current system enables the city to have a 98% collection rate for real property taxes.

Many have said we need to protect vulnerable Baltimore City owner-occupants and I agree. But the mayor has virtually eliminated the previously tiny risk of foreclosure to owner-occupants by removing almost all owner-occupied properties from the tax sale over the last 2 years.

We should find targeted solutions to make these owner-occupant protections permanent while protecting essential city Tax revenue. This could be accomplished under the current tax sale system by creating property tax payment plans for owner-occupants, or by amending SB766 so that the new IN REM system it creates would apply only to Owner-Occupied properties.

What about non-owner occupants? Shouldn't landlords, investors, business owners, or derelict property owners be expected to pay their property taxes? Property taxes are a major source of General Fund revenue for the City, almost 53% in Fiscal Year 2021. Allowing these non-owner occupants to evade paying taxes for years under SB766 would be to the detriment of responsible tax paying

citizens that rely on essential city services and programs majority-funded by property tax revenue?

A couple years back water bills were removed from tax sale to protect vulnerable Baltimore city residents from tax sale. According to DPW testimony the unintended consequence of that policy change was that delinquent water collections decreased substantially.

The reason is simple: the threat of going into tax sale gets people to pay. If tax sale is cancelled what happens to the approximately 35% of the City property tax revenues that get collected after delinquent notices warning of tax sale are sent out? What about the 10-20 million collected on the day of the tax sale. What about owner-occupants who might no longer prioritize their property tax bills under SB766 in favor of other more pressing bills and allow their delinquent property taxes to accumulate for years until they are no longer affordable?

For all these reasons if you support SB 766 I urge the adoption of an amendment restricting the bill to owner-occupied properties so the bill protects those who need the help while leaving in place the current effective revenue collection system for other properties. Thank you for your consideration.